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EXAMINER

GREGG, MARY M

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

| | | | |
|------------------------------|--------------------------------------|--|--|
| Office Action Summary | Application No. 10/583,222 | Applicant(s) JACOBS, LESLIE L. | |
| | Examiner MARY GREGG | Art Unit 3694 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 05 December 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-30 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-30 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 16 June 2006 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>12/05/2007</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-30 have been examined.

Interpretation of Claims

2. In determining patentability of an invention over the prior art, all claim limitations have been considered and interpreted as broadly as their terms reasonably allow. See MPEP § 2111.

Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Applicant always has the opportunity to amend the claims during prosecution, and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. See *In re Pruter*, 415 F.2d 1393, 1404-05, 162 USPQ 541, 550-51 (CCPA 1969). See MPEP § 2111

All claim limitations have been considered. Additionally, all words in the claims have been considered in judging the patentability of the claims against the prior art. The following language is interpreted as not further limiting the scope of the claimed invention. See MPEP 2106 II C.

Language in a method claim that states only the intended use or intended result, but the expression does not result in a manipulative difference in the steps of the claim. Language in a system claim that states only the intended use or intended result, but does not result in a structural difference between the claimed invention and the prior art.

(See claims 1, 11, 18 and 25, wherein the applicant cites intended use of the invention)

In other words, if the prior art structure or method is capable of performing the intended use, then it meets the claim.

Claim Objections

3. Claims 9-10, 16-17 and 23-24 are objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form.

In reference to Claims 9-10:

Claims 9-10 are directed toward a method for providing a stream of payments. Claims 9 and 10 cite "payments are royalty payments is " and "rights are contractual rights" respectively which is non-functional descriptive material, the specific "payments" and "rights" does not act upon nor affect the method claimed and therefore non-functional and does not hold any patentable weight. See interpretation of claims above.

In reference to Claims 16-17:

Claims 16-17 are dependent upon claim 11 which is directed toward a computer executable medium to execute instructions, however, claims 16-17 do not cite any instructions to further limit Claim 11. The defining of physical items or data that is not being acted upon by the executable instructions and therefore affects no change in the data, is none further limiting.

In reference to Claims 23-24:

Claims 23-24 are dependent upon claim 18 which is directed toward an apparatus comprising processors, memory storing instructions so that the processors perform instructions, however, claims 23-24 do not cite any instructions or cite

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limitations to the structure. The defining of data that is not being acted upon by the executable instructions or do not further limit the function or structure and therefore affects no change, is none further limiting.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-10, 11-17, 18-24 and 25-30 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In reference to Claims 1, 11 and 18:

Claims 1, 11 and 18 recites the limitation "segment" in line 6, 8 and 7 respectively. There is insufficient antecedent basis for this limitation in the claim. For examination purposes the examiner is defining the limitation to be equivalent to the limitation "one or more segments".

In reference to Claims 2-10,12-17 and 19-24:

Claims 2-10; 12-17, 23; and 19-22, 24, depend upon claims 1, 11 and 18 respectively and contain the same deficiencies of the claims upon which they depend. Therefore, claims 2-10, 12-17 and 19-24 are also rejected under 35 USC 112, second paragraph.

In reference to Claims 26-30:

Claims 26-30 depend upon claim 1 respectively and contain the same deficiencies of the claims upon which they depend. Therefore, claims 26-30 are also

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rejected under 35 USC 112, second paragraph.

In reference to Claim 25:

Claim 25 recites the limitation "plurality of segments" in lines 7-9. There is insufficient antecedent basis for this limitation in the claim. For examination purposes the examiner is defining the limitation to be equivalent to the limitation segment.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claims 1-10, 11-17, 23 and 25-30 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In reference to Claims 1 and 25:

Claim 1 and 25 are directed toward the statutory category of a method (process), however according to Supreme Court precedent and recent Federal Circuit decisions, in order to be statutory under 35 USC 101 the process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under § 101 and is rejected as being directed toward non-statutory subject matter.

As example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus to qualify as a § 101 statutory

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process, the claim should positively recite the other statutory class (thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter being transformed, for example by identifying the material being changed to a different state. (Diamond v. Diehr, 450 US 175, 184 (1981); Parker V. Flook, 437 US 584, 588 n.9 (1978); Gottschalk v. Benson, 409 US 63, 70 (1972); Cochrane v Deener, 94 US 780, 787-88 (1876)). Applicant is also directed to MPEP § 2173.05p, providing guidance with respect to reciting a product and process in the same claim and MPEP § 2111.02 [R3] providing guidance with respect to the effect of limitations within the preamble of a claim.

Examiner finds these method claims lack structure such as on a “computer readable medium” or “computer” or “processor”. One example of corrective action might be to place “electronically” before an action verb and “on computer (or other appropriate structure).”

For example in the claim:

“Method comprising:

Calculating a score

Assigning rank...”

Would need to become:

“Method comprising:

Electronically calculating a score on a processor...

Electronically assigning rank on a processor...”

This is just one elementary example to provide guidance however there many be various ways to overcome the 101 method without structure rejection.

In reference to Claims 2-10 and 26-30:

Claims 2-10 and 26-30 depend upon claim 1 and do not cure the deficiencies cited above. Therefore, claims 2-10 and 26-30 are also rejected under 35 USC 101.

In reference to Claim 11:

Claim 11 cites in the preamble as being directed toward the statutory category of an apparatus (computer readable medium) however, in the specification in paragraph 0039, the applicant cites

" A computer-readable medium can comprise any medium that provides instructions to a processor for execution such as non-volatile media, volatile media, and/or transmission media. Examples of a computer-readable medium comprise the memory storage devices discussed above, as well as transmission media such as **electromagnetic waves, such as those generated during radio wave and infrared data communications.**".

According to MPEP 2106.01 [R-6], when nonfunctional descriptive material is recorded in an electromagnetic carrier signal is nonstatutory. Therefore, claim 11 is rejected under 35 USC 101.

In reference to Claims 12-17 and 23:

Claims 12-17 and 23 depend upon claim 11 and contain the same deficiencies and do not cure the deficiencies set forth above. Therefore Claims 12-17 are also rejected for being directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

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8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1, 6-11, 16-18, 23-24 and 27-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 7,181,422 B1 by Philip et al (Phili) and in view of US Pub No. 2002/0099637 A1 by Wilkinson et al. (Wilk)

In reference to Claim 1:

Nat teaches:

A method, comprising: selecting one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations ((Phil) FIG. 6; para Col 1 lines 6-9, 32-40, 44-46, 60-62, Col 4 lines 4-8, 11-16, 20-24, Col 5 lines 35-41) to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in ...property assets, said segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria; and

identifying one or more portions of said one or more rights for transfer to an entity, said one or more portions corresponding to the one or more segments that correspond to the first time period, said one or more portions being identified ((Phil) Col

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1 lines 33-37; wherein interest are defined, Col 3 lines 37-40, Col 4 lines 4-8, 11-16) for transfer apart from at least one remaining portion of at least one of said one or more rights

Phil does not teach:

...one or more intellectual property assets...

Wilk teaches:

...one or more intellectual property assets...((Wilk) FIG. 1; para 0004; wherein the prior art teaches securitization of IP assets.

Phil teaches explicitly of creating tranches from an underlying asset. Tranches are multi-class securities where an asset is broken into multiples segments (tranches). They represent the underlying asset by separate certificates. Tranches are formed when an asset becomes a pool of interest to be sold (i.e. securitization of an asset) rather than selling the underlying asset. Although IP assets are not taught explicitly by Phil, the prior art teaches a “financial asset can be any promise of future flow of money” ((Phil) Col 1 lines 7-9) instead of selling an underlying assets . Wilk teaches securitizing IP and creating financial instruments from IP assets ((Wilk) para 0006, 0007). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to simply substitute one known element for another to obtain predictable results.

In reference to Claim 6:

The combination teaches:

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The method defined in claim 1 (see rejection of claim above), further comprising the act of transferring said one or more portions of one or more of said rights to an entity (fund) ((Phil) Col 5 lines 35-42, Col 4 lines 49-55, Col 7 lines 35-41)

Rights (right to sell, right to vote, right to receive payment, etc) with respect to derivatives or tranches are old and well known. Although not explicit with respect to rights the prior art teaches the investor receiving payment on the tranche or derivative which inherently is a right.

In reference to Claim 7:

The combination teaches:

The method defined in claim 1 (see rejection of claim 1 above), wherein said entity is a special purpose vehicle ((Phil) Col 4 lines 49-55)

In reference to Claim 8:

The combination teaches:

The method defined in claim 7 (see rejection of claim 7 above), wherein said special purpose vehicle is one that facilitates an issuance of securities backed by said one or more portions of one or more of said plurality of rights ((Phil) Col 4 lines 10-15, 44-47, 59-65, Col 7 lines 35-41).

In reference to Claim 9:

The combination teaches:

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The method defined in claim 1 (see rejection of claim 1 above), wherein said payments are royalty payments

In reference to Claim 10:

The method defined in claim 1 (see rejection of claim 1 above), wherein said rights are contractual rights ((Phil) Col 7 lines 35-41)

With respect to the said rights being contractual rights, the payment rights of claim 1 with respect to tranches inherently are contractual rights.

In reference to Claim 11:

The machine of Claim 11 corresponds to the method of Claim 1, therefore, machine of Claim 11 has been analyzed and rejected as per previously discussed with respect to Claim 1. The feature in claim 11 that is separate from claim 1 is the computer readable medium carrying instructions ((Phil) Claim 17).

In reference to Claims 16 and 17:

The machine of Claims 16 and 17 corresponds to the method of Claims 9 and 10 respectively, therefore, the machine of Claims 16 and 17 have been analyzed and rejected as per previously discussed with respect to Claims 9 and 10. The feature in claims 16 and 17 that is separate from claims 9 and 10 is the computer readable medium carrying instructions ((Phil) Claim 17).

In reference to Claim 18:

The system of Claim 18 corresponds to the method of Claim 1, therefore, system of Claim 18 has been analyzed and rejected as per previously discussed with respect to

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claim 1. The feature in claim 18 that is separate from claim 1 is processors coupled to a memory ((Phil) FIG. 2)

In reference to Claims 23 and 24:

The system of Claims 23 and 24 corresponds to the method of Claim 9 and 10 respectively, therefore, system of Claim 23 and 24 has been analyzed and rejected as per previously discussed with respect to claims 9 and 10. The feature in claim 23 and 24 that is separate from claim 1 is processors coupled to a memory ((Phil) FIG. 2)

In reference to Claim 27:

The method of claim 1 (see rejection of claim 1 above), further comprising:
determining the one or more criteria ((Phil) Col 3 lines 48-60, Col 4 lines 10-15)

In reference to Claim 28:

The method of Claim 28 corresponds to the method of Claim 6, therefore, system of Claim 28 has been analyzed and rejected as per previously discussed with respect to claim 6.

In reference to Claim 29:

The method of claim 1 (see rejection of claim 1 above), further comprising
entering an agreement to transfer the identified portion of said at least one right ((Phil) Fig. 3, FIG. 5, Fig. 6; Col 4 lines 44-48, Col 5 lines 35-42, Col 6 lines 46-55, Col 7 lines 35-40, Col 7 lines 35-41).

In reference to Claim 30:

The method of claim 1 (see rejection of claim above), further comprising:
transferring the identified portion of said at least one right ((Phil) . Fig. 3, FIG. 5, Fig. 6;
Col 4 lines 44-48, Col 5 lines 35-42, Col 7 lines 35-40).

10. Claims 2, 12, 19 and 25-26 are rejected under 35 U.S.C. 103(a) as being
unpatentable over US Patent 7,181,422 B1 by Philip et al (Phili) and US Pub No.
2002/0099637 A1 by Wilkinson et al. (Wilk) as applied to claim 1 above with respect to
claims 2 and 26, as applied to claim 11 above with respect to claim 12, as applied to
claim 18 above with respect to claim 19, and in view of US Pub No. 2002/0138299 A1
by Nations (Nat)

In reference to Claim 2:

The combination teaches:

The method defined in claim 1 (see rejection of claim 1 above), wherein a
plurality of segments of the plurality of streams of expected payments ... said plurality of
portions corresponding to the plurality of segments, said plurality of portions being
identified for transfer apart from at least one remaining portion of at least one of said
one or more rights ((Phil) Col 1 lines 32-37, Col 6 lines 47-54)

The combination does not explicitly teach:

...are selected from a plurality of time periods including said first time
period, wherein each of said plurality of time periods corresponds to at least one of said
plurality of segments, and wherein a plurality of portions of said one or more rights are
identified for transfer to an entity...

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Nat teaches:

...are selected from a plurality of time periods including said first time period, wherein each of said plurality of time periods corresponds to at least one of said plurality of segments, and wherein a plurality of portions of said one or more rights are identified for transfer to an entity...((Nat)FIG. 1, FIG. 2; para 0045, para 0047, para 0051, para 0054, para 0060, para 0069, para 0079, para 0083; wherein buy and sell strategies are determines per time period on different tranch segments (current and preceding tranches); (Wilk) para 0055).

Both the combination and Nat are directed toward creating tranches with respect to underlying assets. Nat teaches the feature of tranches segregated into periodic tranches that have separate features from a tranch created or maturing in a different time period. Nat teaches the motivation of creating periodic tranches in order to reduce risk and optimize returns in buying/selling. The combination teaches periodic payment streams wherein the payment streams have waterfall payments (surplus and deficit) where the senior tranches are paid first on the surplus and the losses are applied in reverse order. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teaching of Nat for protective strategies to reduce risk and optimize returns with the waterfall teachings of the combination with respect to tranches.

In reference to Claim 12:

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The machine of Claim 12 corresponds to the method of Claim 2, therefore, machine of Claim 12 has been analyzed and rejected as per previously discussed with respect to Claim 2.

In reference to Claim 19:

The system of Claim 19 corresponds to the method of Claim 2, therefore, system of Claim 19 has been analyzed and rejected as per previously discussed with respect to claim 2 .

In reference to Claim 25:

Phil teaches:

A method, comprising:..., selecting a segment from each of a plurality of expected streams of payments, each expected stream of payments to satisfy at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one an... asset, each of said segments corresponding to the selected time period, said plurality of segments selected such that a total amount of payments associated with said plurality of segments satisfies one or more predetermined criteria ((Phil) FIG. 6; para Col 1 lines 6-9, 32-40, 44-46, 60-62, Col 4 lines 4-8, 11-16, 20-24, Col 5 lines 35-41); and offering to transfer to an entity, an identified portion of said at least one right, said identified portion corresponding to the..., said identified portion distinct from a remaining portion of said at least one obligation((Phil) Col 1 lines 32-37, Col 6 lines 47-54)

Phil does not teach explicitly:

... for an identified time period... intellectual property... identified time period...

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Nat teaches:

... for an identified time period... identified time period ((Nat) para 0014, para 0015)

Wilk teaches:

...intellectual property...

With respect to the type of pooled asset, Intellectual property, Phil teaches explicitly of creating tranches from an underlying asset. Tranches are multi-class securities where an asset is broken into multiples segments (tranches). They represent the underlying asset by separate certificates. Tranches are formed when an asset becomes a pool of interest to be sold (i.e. securitization of an asset) rather than selling the underlying asset. Although IP assets are not taught explicitly by Phil, the prior art teaches a “financial asset can be any promise of future flow of money” ((Phil) Col 1 lines 7-9) instead of selling an underlying assets . Wilk teaches securitizing IP and creating financial instruments from IP assets ((Wil) para 0006, 0007). Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to simply substitute one known element for another to obtain predictable results.

Both the combination and Nat are directed toward creating tranches with respect to underlying assets. Nat teaches the feature of tranches segregated into periodic tranches that have separate features from a tranche created or maturing in a different time period. Nat teaches the motivation of creating periodic tranches in order to reduce risk and optimize returns in buying/selling. The combination teaches periodic payment streams wherein the payment streams have waterfall payments (surplus and deficit)

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where the senior tranches are paid first on the surplus and the losses are applied in reverse order. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teaching of Nat for protective strategies to reduce risk and optimize returns with the waterfall teachings of the combination with respect to tranches.

In reference to Claim 26:

The combination, Phil and Nat, teaches:

The method of claim 1 (see rejection of claim 1 above), further comprising: ...

The combination does not explicitly teach:

...determining the time period

Nat teaches:

...determining the time period...((Nat)FIG. 1, FIG. 2; para 0045, para 0047, para 0051, para 0054, para 0060, para 0069, para 0079, para 0083; wherein buy and sell strategies are determines per time period on different tranch segments (current and preceding tranches); (Wilk) para 0055).

Both the combination and Nat are directed toward creating tranches with respect to underlying assets. Nat teaches the feature of tranches segregated into periodic tranches that have separate features from a tranch created or maturing in a different time period. Nat teaches the motivation of creating periodic tranches and targeting time periods in order to reduce risk and optimize returns in buying/selling. The combination teaches periodic payment streams wherein the payment streams have waterfall payments (surplus and deficit) where the senior tranches are paid first on the

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surplus and the losses are applied in reverse order. Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teaching of Nat for protective strategies to reduce risk and optimize returns with the waterfall teachings of the combination with respect to tranches.

11. Claim 3, 5, 13, 15, 20 and 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Pub No. Patent No. 7,181,422 B1 by Philip et al (Phil) and in view of US Pub No. 2002/0099637 A1 by Wilkinson et al. (Wilk), as applied to claim 1 above with respect to claims 3 and 5, as applied to claim 11 above with respect to claims 13 and 15, as applied to claim 18 above with respect to claims 20 and 22, and further in view of Official Notice.

In reference to Claim 3:

The combination, Phil and Wilk, teaches:

The method defined in claim 1 (see rejection of claim 1 above), ...

The combination does not explicitly teach:

...wherein satisfaction of said one or more criteria requires that the first total amount of expected payments exceed a predetermined amount in said first time

Wilk teaches:

...wherein satisfaction of said one or more criteria requires that the first total amount of expected payments (earnings per share and investment objectives/strategy) exceed a predetermined amount in said first time ((Wilk) FIG. 2; para 0012, para 0055, para 0108, para 0114 lines 13-16, para 0129, para 0130, para 0147 lines 5-10)

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Although the combination does not teach criteria requires total amount of payments exceed a predetermined received in a first time period. The combination teaches asset rating with respect to cash flow waterfall and historical asset performance. Whereas Wilk teaches explicitly of periodic evaluation. Wilk teaches of determining investment objectives ((Wilk) para 0147) and utilizing any tools and techniques to evaluate the investment. Official Notice is taken that with respect to securities that generate income it is old and well known to monitor and benchmark earnings over time periods in order to make decisions on investment management (buy, sell or hold). Therefore, as the combination teaches rating payment flows and historical data it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teachings of the combination with Official notice in order to implement the old and well known practice of monitoring revenues generated with respect to a benchmark or market comparison over specific time periods to make decision on investment management.

In reference to Claim 5:

The combination Phil and Wilk teach:

The method defined in claim 1 (see rejection of claim 1 above), wherein satisfaction of said one or more criteria ...

The combination suggest but does not explicitly teach:

...requires that the first total amount of expected payments fall within a predetermined range of expected payments to be received in said first time period period

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Wilk teaches:

...requires that the first total amount of expected payments fall within a predetermined range of expected payments (earnings per share and investment objectives/strategy) to be received in said first time period ((Wilk) FIG. 2; para 0012, para 0055, para 0108, para 0114 lines 13-16, para 0129, para 0130, para 0147 lines 5-10)

Although the combination is not explicit with respect to criteria requires total amount of payments fall in a predetermined range in a first time period. Wilk teaches of determining investment objectives and tracking performance of the investment vehicle ((Wilk) para 0147) and utilizing any tools and techniques to evaluate the investment. Official Notice is taken that with respect to securities that generate income it is old and well known to monitor and benchmark earnings over time periods in order to make decisions on investment management (buy, sell or hold). Therefore as the prior art teaches rating payment flows and investment management which suggest recommendation for action with respect to the asset it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the teachings of the combination with Official notice in order to implement the old and well known practice of monitoring revenues generated with respect to a benchmark or market comparison over specific time periods to make decision on investment management.

In reference to Claim 13:

The machine of Claim 13 corresponds to the method of Claim 3, therefore, machine of Claim 13 has been analyzed and rejected as per previously discussed with respect to Claim 3.

In reference to Claim 15:

The machine of Claim 15 corresponds to the method of Claim 5, therefore, machine of Claim 15 has been analyzed and rejected as per previously discussed with respect to Claim 5.

In reference to Claim 20:

The system of Claim 20 corresponds to the method of Claim 3, therefore, system of Claim 20 has been analyzed and rejected as per previously discussed with respect to claim 3.

In reference to Claim 22:

The system of Claim 22 corresponds to the method of Claim 5, therefore, system of Claim 22 has been analyzed and rejected as per previously discussed with respect to claim 5.

12. Claims 4, 14 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over US No. Patent No. 7,181,422 B1 by Philip et al (Phil) and in view of US Pub No. 2002/0099637 A1 by Wilkinson et al. (Wilk), and Official Notice as applied to claims 1 and 3 above with respect to claim 4, as applied to claims 11 and 13 above with respect to claim 14, as applied to claims 18 and 20 with respect to claim 21, and further in view of US Pub No. 2005/0097022 A1 by Silman (Sil).

In reference to Claim 4:

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The combination, Phil, Wilk and Official Notice teaches:

The method defined in claim 3 (see rejection of claim 3 above), wherein satisfaction of said one or more criteria...

The combination does not explicitly teach:

... requires that the first total amount of expected payments be closest to said predetermined amount relative to a second total amount of expected payments.

Sil teaches:

... requires that the first total amount of expected payments be closest to said predetermined amount relative to a second total amount of expected payments ((Sil) FIG. 1A-1C; para 0031 lines 5-10, para 0058, para 0061, para 0064).

Both the combination and Sil are directed toward raising capital for new investment products and setting evaluating the investments over specific periods. Although Sil teaches a preferred embodiment with respect to startup entertainment investments, Sil does not limited the invention from teach typical startup enterprises ((Sil) para 0012, para 0053) and teaches issuing stock and setting up purchase derivative options where the investors have segmented rights ((Sil) para 0020, para 0022). Sil teaches the motivation of setting up milestones criteria with respect to start up enterprises before allocating additional funds in order to protect the investor from investment risk. The combination is also directed toward new asset creation, therefore known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the

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variations are predictable to one of ordinary skill in the art; would have been obvious to one of ordinary skill in the art at the time of the invention

In reference to Claim 4:

The Machine of Claim 14 corresponds to the method of Claim 4, therefore, machine of Claim 14 has been analyzed and rejected as per previously discussed with respect to Claim 4.

In reference to Claim 21:

The system of Claim 21 corresponds to the method of Claim 4, therefore, system of Claim 21 has been analyzed and rejected as per previously discussed with respect to claim 4.

Conclusion

13. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. US Pub No. 2003/0105696 A1 by Kalotay et al. is cited for teaching separating tranches into buckets which represent a risk period. US Pub No. 2002/0198811 A1 by Wizon et al. is cited for being directed toward status of analysis on performance of a portfolio. US Patent 7,236,952 B1 by D'Zmura is cited for being directed toward valuing a financial security.

14. Any inquiry concerning this communication or earlier communications from the examiner should be directed to MARY GREGG whose telephone number is (571)270-5050. The examiner can normally be reached on 4/10.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 5712726712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

15. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. G./
Examiner, Art Unit 3694

/Mary Cheung/
Primary Examiner, Art Unit 3694